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SECTION I. MAJOR ACTIVITIES DURING FY 1965

1. Workload Analysis.

(a) Statistical data for a four-year period is provided in order that significant trends in CPD activities may be shown.

(b) Increases over 1964 were noted in all phases of the contract work, with increases in numbers of contracts written (13%), contract amendments (22%), field contracts reviewed (5.67%) and field amendments reviewed (8%). Cover agreements remained essentially the same.

25X1 (c) Due to the rotation of WH ☐ Staff Agents, the total number decreased slightly during the past year. However, the workload increased considerably due to the amount of processing involved both in those Staff Agents returning for other assignments and the replacement at JMWAVE of the returning Staff Agents. The workload was also greatly increased due to the transfer of ☐ Staff Agents to the WH T/O.

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25X1 Increases in the number of Staff Agents occurred in ☐ Finance, Security, Logistics, CT, TSD, EE and CCS in that order while the greatest decreases were in NE, WH ☐ and FE respectively.

The number of periodic step increases processed by the Staff Agent Section ☐ has been included for the first time in this year's statistics.

(d) The large increase in the number of separation allowances granted is due almost wholly to the disturbed conditions in the Southeast Asia area. As the Agency assets in Saigon continue to grow, the number of separation allowances requested will increase proportionately.

25X9A2 (e) For the fourth year in a row, the on-duty strength in all types of personnel handled by this Division has increased. It is now at an all-time high of ☐ This is an increase of ☐ since 30 June 1964.

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SECTION II. SIGNIFICANT DEVELOPMENTS IN FY 1965

1. Outside Advisory Personnel.

(a) Consultants. In December 1964 the Executive Director - Comptroller requested a special review and reappraisal of on-board consultants. This review augmented by the normal year-end review resulted in a decrease of 17 in the number of consultants on board. During the year the Consultant Regulation was completed together with a Consultant Handbook. It is now in the final stages of coordination and should be published in early FY 1966. At the request of the DDS a special study was prepared by the Division to determine if a legal way could be found to compensate consultants at a rate higher than \$50 per day. The study concluded that legislation is the only remedy. President Johnson, in April 1965, issued Executive Order 11222 which set up a code of ethics for Government employees and special government employees such as consultants, board and panel members, and advisory committee members. This E.O. was broader in scope than the previous Kennedy issuance which it replaced, necessitating changes in the Consultant Regulation, Handbook and in consultant correspondence.

(b) Board and Panel Members. With rapid technological advances taking place in the world, the Agency is using greater numbers of committee members and other advisory personnel. The growth has necessitated developing and writing new forms of contracts to meet the various methods of hiring. With increased emphasis on conflict of interest by the President for this class of employees, a more intensive review of the board and panel members is being made by OGC. This more detailed review by OGC is imposing increased support requirements on this Division.

(c) Industrial Contracts for Personal Services. In order to control and monitor employment of engineers, technicians and scientists used by the Agency [REDACTED] Contracts for Personal Service was issued 20 June 1965. Under this notice CPD serves as the focal point in determining the propriety of the industrial contract method of hire. In those cases where approval is granted CPD is responsible for monitoring security and conflict of interest clearances. In those cases where approval is not given, considerable work will be required, in view of ceiling restrictions, to furnish a substitute solution.

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2. Allowance Committee.

The establishment of an Agency Administrative Allowance Committee was approved by the ADDP on 18 November 1964 and by the DDS on 30 November 1964. The Committee's aim is to reduce the administration

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[REDACTED] The

first meeting of the Committee was held on 19 January 1965. There have been sixteen meetings to date. A copy of a draft of the Committee's first progress report to the DDS is attached. Participation in the Allowance Committee has proved to be a time-consuming task for CPD. I represent the Office of Personnel as a voting member of the Committee; [REDACTED] has been temporarily serving as its Secretary; our allowance facilities are often used on Committee matters; almost all typing and related support is performed by CPD secretaries.

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[REDACTED]

4. Contracts.

(a) Reemployed Annuitants. The contract employment of retired appointed personnel continues to increase not only for individuals but for programs. Two Agency programs recently developed are staffed by reemployed Agency annuitants. One is the OP Qualifications Coding Project, the other is an RID Coding Project.

(b) Non-Permanent Ceiling Contracts. Contracts for programs of short-term and/or less-than-one-year in duration which can be charged against the non-staff ceiling will see greater use in the future as a means of implementing staff ceilings. One example of such a contract is the contract for the ELINT Class [REDACTED]. The contract is for seven months after which the student, if successful, receives a staff reserve appointment.

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CPD also developed a standard Contract Employee contract for Office of Communication's use in their [REDACTED]

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[REDACTED] In this program, O/Commo

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GROUP 1
Excluded from automatic
downgrading and
declassification

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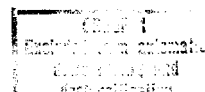
in collaboration with selected universities, employs approximately twelve electronic engineering students who rotate between periods of Agency employment and formal academic work. The program provides increasingly responsible work assignments that relate directly to the student-trainee's development and, hopefully, will culminate in their full-time employment as electronic engineers upon their graduation.

(c) Dual Compensation Act. With the signing of the new Dual Compensation Act by President Johnson on 19 August 1964, all regular retired military who were on the contract rolls were reviewed, elections obtained from the officers, and contract amendments prepared incorporating the "formula" prescribed in the new Act.

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SECTION III. OBJECTIVES FOR FISCAL YEAR 1966

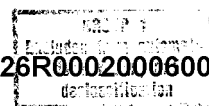
25X1 (a) Stiff ceiling restrictions will cause Agency components to look for other ways to carry out their functions. Normally they would turn to the personal services employee contract but with the pressure of [] being felt in this area, the remaining device is the Industrial Contract. CPD expects greater activity in this area.

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25X1 (d) Reemployed Annuitants. With the passage of the Agency retirement bill, it is expected that many more individuals in the 50-60 age bracket will be retired. Many of these individuals can be used in Agency programs of short duration where a high security clearance, and extensive experience and training are needed. The present practice when rehiring these individuals is to offset their retirement against the compensation of the new position. Discussion will be held with OGC to determine if CIA has authority to use the Foreign Service method, i.e. permitting an employee to keep his retirement and as much of his new compensation which when added to his retirement annuity does not jointly exceed his former staff salary.

25X1 (e) As the Viet Nam war continues, we expect greater use of contract personnel of the [] has increased their pilot program to approximately 100, and we have been adding P.M. types throughout last year and expect the same activity in FY 1966.



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(f) There will be a large increase in the Allowance Committee work as soon as a full-time secretary can be obtained. To date cases accepted by the Committee have purposely been held down due to the lack of time of the part-time secretary (Deputy Chief, CPD) to handle any greater load.

(g) We expect a large workload late in July and early August 1965 when components of the Agency submit an inventory of their industrial personal service contracts. A committee composed of representatives from Security, OGC, Logistics and the Chief, Contract Personnel Division as the Office of Personnel representative will review for their respective components industrial contracts now in effect.

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